



Transmitted via e-mail

May 15, 2020

Marie Lorenzi, Senior Accountant
City of Turlock
156 South Broadway, Suite 110
Turlock, CA 95380

2020-21 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 13, 2020. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Turlock Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 31, 2020. The Agency requested a Meet and Confer on one of the determinations made by Finance. The Meet and Confer was held on April 22, 2020.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determination being disputed:

Pursuant to HSC section 34186, successor agencies were required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF authorized in our April 13, 2020 ROPS 20-21 determination letter included the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

During the Meet and Confer, the Agency contended the PPA was in error as the Agency inadvertently applied the ROPS 17-18 PPA in the amount of \$72,686 to requested Reserve Balances during ROPS 19-20. As a result of our review, Finance concurs with the Agency and the PPA has been reduced to \$0 for the ROPS 20-21 period. It is noted that the Agency must retain the funds for future ROPS to allow the unexpended RPTTF to be properly accounted for through the PPA process.

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,561,282, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 20-21 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Jeremy Bunting, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Nadine Silva, Senior Accountant, City of Turlock
Kashmir Gill, Auditor-Controller, Stanislaus County

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 40,900	\$ 2,460,882	\$ 2,501,782
Administrative RPTTF Requested	29,750	29,750	59,500
Total RPTTF Requested	70,650	2,490,632	2,561,282
RPTTF Authorized	40,900	2,460,882	2,501,782
Administrative RPTTF Authorized	29,750	29,750	59,500
Total RPTTF Approved for Distribution	\$ 70,650	\$ 2,490,632	\$ 2,561,282